



Kentucky Council on Postsecondary Education

Ernie Fletcher
Governor

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Thomas D. Layzell
President

DATE: March 10, 2006
TO: Superintendents, Program Coordinators and Fiscal Officers
FROM: Terry Pruitt, CPE Senior Associate
SUBJECT: CONTRACT UPDATE – CLOSE OUT DATE CHANGE
Fiscal Guidance Memo (FGM-2006-01)

EXTREMELY IMPORTANT!! 2006 CHANGE IN CLOSE-OUT DATE

This information applies to ALL KYAE-funded programs

This memo shall serve as written notification of this invoicing date change, as required by your contract in Method of Payment, Section F, No.1 (Section Three, No.1 for Workplace contracts).

Final invoices for FY06 will be due on JUNE 23, 2006. This is the last date on which KYAE can accept invoices for the current fiscal year. This earlier close-out date is mandated by the Commonwealth of Kentucky's installation of a completely new financial system on July 1, 2006.

Revised Calendar for FY06 Invoicing

June 10, 2006 -- May invoice is due by close of business.

A projected June invoice will not be required this year.

June 23, 2006 -- The final invoice for all FY06 expenses will be due.

- In the final invoice you will report all documented expenditures for the final month of your contract. This includes total salary for all staff through June 30, 2006 (in cases of hourly staff, you will need to make an educated estimate sufficient to cover these costs). When you reconcile your books for FY06, if your estimate was higher than the actual amount expended, the overpayment must be repaid to KYAE by August 31, 2006.
- Do not report expenditures that exceed your line item budget.

Invoices received after June 23, 2006, will not be paid.

Workplace contracts that expire prior to June 30, 2006, shall adhere to the original contract final invoice date.

A July 5, 2006, invoice will not be required this year.

August 31, 2006 -- Final reconciliation form is due for each grant by close of business.

Duplicate the form you submitted on June 23, 2006. Select "Final Reconciliation" in drop down box #1.

- If nothing has changed, indicate "no change" on Note line and submit this form to Michele Koziol.
- If you are reporting any bookkeeping changes, delete the expenses in the month of June column, change "June" to "Final" and list **only** the **changes to your June 23 invoice**.
- Include an updated TS-1 if the change affects salary or time worked.

August 31, 2006 (cont.)

- If you had previously invoiced for encumbered goods/services that did not arrive by June 30, 2006, report them as negative entries in the KYAE-10, print your documents, enclose a check made out to Kentucky State Treasurer for the amount due KYAE, and mail to Leah Disponett (address below).

Additional expenditures submitted after June 23, 2006, will not be paid.

KYAE recognizes that an early close-out date may pose some challenges for providers. Please be assured that KYAE is committed to efficient service and payment to providers, while complying with the regulations for the new system.

Third Quarter Budget Review

It's time to review program expenditures and invoicing for FY06. By the end of this month, invoices should be approaching 75 percent of the program's total allocation; incentive and development funds should also be largely expended. KYAE encourages providers to complete purchases by mid- to late-April to allow for receipt of items before year's end. Remember, your funding expires on June 30, 2006, and unexpended grant funds lapse to KYAE.

March 31, 2006, Audit Reporting Deadline

Reminder: A copy of your agency-wide audit is due to KYAE by March 31, 2006, attn: Leah Disponett. If your agency receives an annual total of less than \$500,000 federal dollars for all the programs it administers, you may email Leah.Disponett@ky.gov stating that you are exempt from filing an audit report. Please refer to your contract under the AUDIT section for regulation citation and requirements. Note: All boards of education and most other providers are required to file the audit.

State Mileage Rate Change

On January 1, 2006, the state mileage reimbursement rate was reduced from \$0.43/mile to \$0.40/mile. For providers adhering to the state travel regulations, be sure to check the [State Mileage Rate](#) quarterly to verify that you are using the current rate.

Budget Amendments – Last Date to Amend is April 28, 2006

When reviewing your budget, please keep in mind that the final date to submit an amendment request for your FY06 budget is **April 28, 2006**. Use the KYAE-10B form available on our website [KYAE Forms](#) and be sure to justify the proposed change in the description field (we have "left-over" dollars is not a sufficient justification; rather your justification should indicate a need which relates to service and how the change will allow you to better serve clients). If the requested change impacts your staff budget, you must submit an updated personnel worksheet, also available through the link provided, and note how the change will affect services on your amendment request.

NOTE: Workplace providers with contracts expiring prior to June 30, 2006, must adhere to the final amendment date stated in your contract.

Inventory Reports – INV1

If you have not filed your complete inventory report for purchases made in FY05 grant year, please do so immediately. These reports are part of our audit process and were required by August 31, 2005, to be in compliance with your KYAE contract.

Reporting Contact Information

Invoices and amendment requests: Michele.Koziol@ky.gov (Note: Michele has one "l")

Audits and inventories: Leah.Disponett@ky.gov

CPE/KYAE Administrative Services: 502.573.1555

CPE/KYAE 1024 Capital Center Dr. #320, Frankfort, KY 40601